App.F.IX-4

Preserved

1918-19

File No. G.F. 277-18

Previous References (G.F.)

Serial Nos. 1612, 1444

Later references. P 60F

Preserve
21.10.19

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Fourteen

✓

Part B for

SUBJECT

Surplus revenues of the C & M. Station, Bangalore

AP
3/6.

G. R. S. III—1]

191 29

GENERAL AND REVENUE SECRETARIAT.

(97)

NOTES.

97. File No. 277-

FILE HEADING

Surplus revenue of Tin C & In Sts Lds

From

No.	Dated	Received
Diary No.	Enclos.	Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

R 7 0

NOTES—First Sheet.

WD 1232—GPB—20,000—18-11-15

G. R. S. III-2]

General and Revenue Secretariat.

GT File No. 277 of 1918.

D3054

2

Serial No.

G.T. 277-8-1. D 3054

W/S 7/11

Ctm the Surplus cases
maybe submitted with
necessary Graphs

M.
1/11

Reference is invited to the
Secretariat Note of discussion
with the Resident Vide pages
34, 35 & 36 of the Precis papers.
Submitted with draft for approval
or other orders.

4

NOTE—Contn. sheet.

19/5

General and Revenue Secretariat.

97 File No. of 191 .

rial No.

Hand reference is in with Dewan's note dy 1.2.1919 - page 33 of Misc. coll. & Fergy's note dy 17.2.19. H
For the instructions regarding the purpose of the Rage-Society.
Fergy)

18
20/5/19.

Please see Dewan's minute dated 5th February 19 on page 34 of the printed collection Volume III.

2. After the receipt of the Residency letter on the 7th August 17 (serial 15 in the printed collection volume III) I was not at all keen on pressing the question for a fixed annual payment (vide my note at the bottom of page 28 & page 29). But as desired by Council and the Dewan (as per notes printed on page 29) the matter was again pressed (vide serial 37). I am still of opinion that we need not press the question of a fixed payment at this stage. The question for a fixed payment may be revived if in actual practice the surplus is made to dwindle to an insignificant figure.

3. As regards the first point referred to in the Dewan's minute viz., how the adjustment is to be made after every year's accounts are settled, I am of opinion that the methods sanctioned by the Government of India with the approval of the Secretary of State and communicated in the Residency letter dated 2nd August '17 (serial 15) may be tried for some time before any further representation is made. The balance of five lakhs has been built up and we shall henceforth

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | G.F. File No. of 191

Serial No.

get the full calculated surplus without the 25 deductions.

4. As regards the question of Imperial grants to the Civil and Military Station it seems to me that the case for Imperial grants is not a strong one and if urged may land us in a difficult situation. The Indian Provinces get Imperial grants because a considerable part of their revenues go to the Imperial Government through Imperial and divided heads. For example, in Madras, half of Land Revenue, Stamp, Excise, Income tax etc., goes to the Imperial Exchequer. If we were to press for Imperial grants for the Civil and Military station we will be giving some room to the Government of India to demand a share of the divided heads of revenue as e.g., what they get from the neighbouring province of Madras. In other words the analogy between the Civil and Military station and an Indian province cannot be pressed too far and will not do us good.

5. I put up two drafts. The first draft contests the position taken up in the Residency letter of 5th December '18 (serial No.38) that the refund of surpluses is a mere act of grace. I have put up this draft because His Highness agreeing with the Dewan has desired that the point should be contested. I may point out however that in para 13 of our own Memorandum printed with serial 8 in Vol.II of the collection, the Durbar themselves have used the words "as a matter of grace." In my respectful opinion

NOTE—Contn. sheet.

General and Revenue Secretariat. G.F. File No. 277 of 1918.

Serial No.

opinion the point may be allowed to rest where it is and the draft need not issue.

6. The second draft points out two discrepancies in the Pro-forma accounts and asks for complete set of the Budget Estimates of the Civil and Military Station from 1911-12 (for purposes of verification.)

These points were dis~~cussed~~ Covered by me in the course of scrutiny of the Pro-forma accounts. The first is a clear case of error and will bring us an amount of ~~at least one lakh~~ about Rs 75,000 as the extra amount accrued during the last 7 years. The second point will perhaps be contested but if properly pursued should result in our favour, the amount involved being about 25 to 35 thousand rupees a year.

75000/-

24/5/19

Dewan's

DEWAN'S OFFICE,
Recd. on MAY 30 1919
Reg. No. 7551.

The 2nd draft is returned herewith as the first point is the point in which all Esp under Ed & Sanitation specially the large schemes such as Wells, Drainage & Water Supply are to be debited & the Revenue. I think as the Rules are light the point we shall be hearing from the F.G. will kindly return it with his final remarks - with all no if cases the new treaty is

Please issue 2nd draft & resubmit file with papers kept by Dewan Sahib.

NOTE—Contn. sheet 2/6

D 3054

WD 1233—GPB—60,000—1-12-16—S.

6

G. R. S. III-2]

General and Revenue Secretariat. | 97 File No. 277 of 1918.

Serial No.

2

To

The 1st A. Resident,

Pol No 1220 S 4th June 1919

Points out that the cost of the Residency Surgeon & his Staff is included 1½ times on the expenditure side in the pro-forma accounts of C & M Station for 1916-17 & 1917-18 when only ⅓ of the charge is debitable to the accounts and the "Income tax" on Salaries etc in Bangalore & Mysore Residency & on the interest on Securities has been left out on the receipt side & further requests his opinion on the points & a set of budget from 1911 onwards

Please put up the papers required by the Dewan Sahib & duly flag them.

Has a copy of Mellor called for by the Dewan Sahib duly flagged

18

7-6-19

S

Sahib due 4-6-19.

Printed collection volumes II & III of the Surplus Revenues of the C & M Station are put up.

The collection re The Mysore Treaty is also put up.

Attention is invited to the Para 4 on Surplus Revenues - vide page 42 of the printed collection regarding Mysore Subsidy.

Subs recd 10/6.

18

10/6.

NOTE—Contn. sheet.

4

7

General and Revenue Secretariat. | EP File No. 277 of 1918.

Serial No.

Also statement of the figures for same years as in the budget estimate for 1918-19 —

WS

Please prepare tables of Sanitation & Elm charges charged to the proper units for the last ten years —

WS 29/6 18/7/6

G

A statement showing the figures for 10 years is put up, beginning with 1908-9. In the Proforma accounts Sanitation is not shown as a separate head but seems to have been included under Medical

X

Budgets for 1917-18 & 1918-19 are available & from these actuals for 1915-16 & 1916-17 revised estimate for 1917-18 & budget provision for 1918-19 are taken & shown for comparison. In these Sanitation is shown as a separate head. The totals of Medical & Sanitation

X B

NOTE—Contn. sheet.

Only a single copy
of Vol I, of Simpkins
Revenue & M
station is found
in the Records
(Flag Z)
It is desirable
to have it re-
printed
Secy to Govt

30574

9

G. R. S. III-2]

General and Revenue Secretariat. | 97 File No. 277 of 1918.

Serial No.

for 4 years from 1915-16 are also shown in the statement to facilitate comparison with the figures of Proforma accounts. It will be seen that the proforma figures only differ slightly from those in the budgets.

30/6.

Please write a DO. to the Registrar Resy - asking him to forward ~~and return if rejected~~ 4 copies of the Consolidated Statistical tables from 1908-9 to 1916-17. If available - the latest Statistical Abstract. ~~Please also do~~ Say

The application is made informally & time - if an official letter is necy, it can be made

18

30/6/18

Send with draft

18

1/7

Issued

1.7.18

NOTE—Contn. sheet.

141-9

General and Revenue Secretariat.

File No. 277 of 1918.

Serial No.	
3	To the Registrar, Residency. D: 7th 32 dt 3.7.19. Requests to be furnished with a set of 6 spare Copies of the C.M. Station budgets from 1908-9 to 1916-17.
	No reply has yet been received. Submitted for orders. 12/7
	Returned-as the requisites — Statements mentioned in the margin — further inward of the C.M. Station budgets are also required. 14/7
4	Do. no 8482. d: 12.7.19. From the Registrar, Residency Office forwarding Copies of the C.M. Station budgets from 1908-9 to 1910-11. Submitted with draft D.O. as desired. 14/7
	Issue above. 14/7
	~~No 7th 333. d: 15.7.19: D Fd.~~

NOTE—Contn. sheet.

General and Revenue Secretariat.

File No. 277 of 1918.

Serial No.	
5	To A.M. Peris Esq. Rajpipla Resident's Office No H. 333. - dated 15.7.19. Acknowledges the receipt of two copies of Bangalore C.M. budget for 08-09 - 1919-20 - and states they will be returned at an early date.
6	From the T.A.R. No Pol 69. 5771. Dt. 12.7.1919. With reference to Serial 2 states that the figures against Medl. in para 79. Page 13 of Admn Report represent the medl. charges of the Assigned Tracts including the sum of Rs 1200 p.m drawn as Local Allowce by the Residency Surgeon. (1) It is stated in the letter. That only 1/3 of the charges on account of the pay of the Surgeon & his staff - is included in the total & 1/3 of the Residency Charges (2) Note 3. against "Medical" is proposed to be omitted in future in the admn Report since the expenditure under this head includes only the local allowance of the Rgdy. Surgeon & does not include any part of the pay of the Surgeon his staff.

NOTE—Contn. sheet.

157

G. R. S. III-2.

General and Revenue Secretariat. | Q.7 File No. 217 of 1918.

Serial No.

(3) As regards the question of Credit of Income Tax on Salaries etc. & Interest on Govt Securities etc. in the Accounts of the Assigned Facts. A further communication ~~is stated~~ will be made on the receipt of reply from the Accountant Genl Madras —.

A. Statement showing the figures for ten years. from 1908 - ~~to~~ 1919. is put up. There is no separate head as Sanitation — for the years 1908 to 1915. —

Subt with refce to Fin' Secy's note dated 21/6/19.

A copy of the Finl Decln Vol III is not put up.
How can I verify if the figures given as per proforma accts for the denial years are correctly entered. Please ling up.

18°
9.8.19.

Fdsecy 18
14/8.

NOTE—Contn. sheet

). R. S. III-2]

12

General and Revenue Secretariat. | G.F. File No. 227 of 191 8.

Serial No.

1 The actuals for 1916-17 as shewn in the Budget Estimates of the Civil and Military Station for 1918-19 do not agree, in the case of some heads, with those shewn on page 13 of the Administrative Report for 1917-18. It is necessary to examine the actuals as given in the Administration Reports with those shewn in the column of accounts in Budget Estimates, note differences and ascertain reasons therefor. We have now account figures from 1906-07 as shewn in Budget Estimates and a statement in the subjoined form one for each year, may be put up.

(1)

Heads.	According to accounts column of Budget Estimates.	As shewn in the Administration Report.	Column (2) more than column (3) or less

If the pro-forma accounts furnished to us differ from the figures given in the Administration Reports another column may be opened in the above statement to bring out such differences as well. To calculate the effect of the variations on the surplus payable to us, the items of Residency charges to be added to the Station account may be included in the 'accounts' column of the statements.

2 If the variations for the years for which the above statements will now be prepared are material

NOTE—Contra. sheet.

Serial No.

material and affect the calculation of the surplus payable to us, we shall have to extend the examination to the previous years also.

3 As regards the point what expenditure on Education and Sanitation is a legitimate charge upon the revenues of the Station, please put up papers, if any, containing discussions about it. (2)

4 The item of Income-Tax, about which we have raised an important point, as shewn in the Pro-forma accounts and the Administration Reports also requires to be verified with a view to see if all items of that tax which we have contended should be included in the Station accounts have been shewn as receipts in the Pro-forma accounts. A statement shewing the items omitted in the several years may also be put up. Materials for preparing this statement will be found in the paragraphs of the Administrative Report dealing with the revenue from Income-Tax. (3)

5 Has the question whether the cost of all Military works is a proper charge on the Station revenues been discussed before? If it has been please put up the relevant papers. (4)

6 Note No.4 on page No.13 of the Administration Report for 1917-18 states that the cost of repairs to the Residency is included in the item of Public Works. Is this charge to be borne by

NOTE—Contn. sheet.

WD A-1789—GPB—60,000—20-3-18—S.

G. R. S. III-2]

General and Revenue Secretariat. | G.F. File No. 227 of 1918.

Serial No.	
	by the Station revenues and if so, is not the charge to be limited to one-third as in the case of other Residency charges?

P.T.O.

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-3-18—S.

G. R. S. III-2]

General and Revenue Secretariat.

57 File No. 27 of 1918

057

15

Serial No.

E + W.

A

actuals as against

B

T

As required by the Hon. Secretary the Statements are prepared and put up, showing Comparison of budget figures with those in Administration Reports and pro-forma accounts and also other showing particulars regarding Income Tax. An explanatory note is also appended pointing out the chief features observed in the Statements. It is for orders whether the previous years' figures should also be compared.

Vide para 3 of H. Secy's note. Besides those to be found in the printed vols I & II no other papers are traced regarding Charges under Education Sanitary and Military works.

Copy of reports to Assembly has been referred to in the explanatory note.

Submitted

3/11

NOTE—Contn. sheet.

157

16

G. R. S. III-2]

General and Revenue Secretariat.

Q 7 File No. 277 of 191 8

Serial No.	
A	The Statements as prepared are very incorrect - Please see correspondence put in Mul - for the year 1916-17. Please let me have the correct Statements duly corrected and Verified once again - The mistakes shd not have been allowed in the first instance - The totals shd be entered in words. 18 3/12/19.
	Subd with revised Statements as required 8/12
	9/12
	P.T.O.

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | File No. | of 191

Serial No.

Refee. H Secy's note dy. 13-9-19 —

Para 1- Statements in the prescribed form have been prepared and attached — Commencing from 1908-9 to 1916-17 with an abstract. It will be seen therefrom, that in the Admn. reports prior to 1910-11, the figures of receipts and expd shown in the admn. are then received in the accts of the Bangalore Try and agree with only small differences with the actuals recorded in the Estimates. Commencing from the year 1910-11 the figures given in the admn. report are Pro-forma accts and consequently vary in several respects from the actuals in the Estimates —

The differences are mainly accounted for by the inclusion in the former the following items: —

A. accts of Cantonment.

(1) Contributions in accounts section.

(2) Cost of Removal of Hy

(3) Proportionate cost of Artillery.

B. 1/3rd of Residency charges: —

The figures of expe. in the admn. report from 1910-11 agree almost closely with those passed to the Debit by the Resy - The small differences in the 4 years 1912-13 - 1915-16 do not call for any special notice —

Para 3- Please see Serial (18) - Vol III. Printed Collection - Paras 344 - & Serial (18) of the same volume —

Para 4 - Vide Statement W attached

Further Communication from the Resy in the matter is awaited —

NOTE—Contn. sheet.

R. S. III-2]

General and Revenue Secretariat. | File No. of 191

Serial No.

Surplus Revenue, C. & M. Station.

On the general question as to what should be our share of the annual surplus of the Assigned Tract and how such share should be calculated I have submitted to the Dewan a separate note dated the 10th November 1919.

2. In our letter dated the 4th June 1919 we raised two points in regard to the Pro-forma accounts on which the surplus payable to us was calculated: (1) that the cost of the Residency Surgeon and his staff had been charged to the Pro-forma account in addition to one-third of it which alone was chargeable to that account, and (2) Income-tax receipts had been omitted from the revenue side of the Pro-forma account. The first point has been answered in the Residency communication dated the 12th July 1919. It is stated that the Pro-forma account is correct and that only the note in the Administration Report is incorrect. It has been verified that only one-third of the cost of the Residency Surgeon and his establishment has been included in the Pro-forma account and that as stated by the Residency the note in the Administration Report is not correct. This point does not, therefore, require to be pursued further. Point No. (2) has not yet been answered by the Residency

NOTE—Contn. sheet.

and

General and Revenue Secretariat. | (2) 92 File No. 277 of 1918.

Serial No.

and we may send a reminder requesting early its disposal.

3. The differences referred to in para 1 of my note dated the 13th September 1919 are due to the authorised adjustments to be made for arriving at the Pro-forma accounts Surpluses:

The points noted in paras 3 and 5 of the same note concern the general question referred to above. As regards repairs to the Residency, the charge included in the Pro-forma account is only one-third.

20-1-20

Jesus, Shamsheer's adjtl. remission

Dewan

22-1-20

Draft approved by the Dewan.
24-1-20

DEWAN'S OFFICE.
Recd. on JAN 23 1920
Reg. No. 49621

To the A.R.
No Pol. 821. D. 28-1-20.
enquires when the further communication promised in the matter of credit in the Audit Account of Income Tax. etc may be expected

P.T.O.

NOTE—Contn. sheet.

57 Abdl 21

General and Revenue Secretariat. 92 File No. 277 of 1918.

Serial No.	
6	From The A.R. To Pol 1057 1140-D: Dt 3-20 with reference to previous serial states that the matter is still under correspondence Subs noted 13/3/20 Await Abstr 14/3
	From
7	The Registrar Residency office D.O. No. 1842 of 1st March 1920 Requests to return the budget copies received in ol 4 Subs with a draft D.O returning the budget copies 1/3/20 1/3
8	To A.M Peris Esqr Registrar Resident's office Bangalore Returns the budget copies referred to in ol 7
9	From The Registrar Resident's office No 1878 Dt 2-3-20 Acknowledges the receipt of copies in ol 8.

NOTE—Contn. sheet.

Send to Pol

G. R. S. III-2)

General and Revenue Secretariat. | G 7 File No. 277 of 1918

Serial No.	
	From
10.	The 7. A. Resident
	No. 1828 & 1st March 1920.
	Requests to return the Copies of the Bangalore C & M. Station budget forwarded with the letter in Sl^x 6.
x Flag F	
	The budget copies under reference were forwarded to
x Flag F	this office with the letter in Sl^x 6. as per ~~the~~ request ~~made by the Durbar~~ in para 2 of our
x Flag E	letter in Sl^x 2
	It is a point for consideration whether it is not desirable to ~~obtain~~ keep a set of these budget Copies for record in this office
we may ask for a set	
	Draft returning the Copies is submitted for approval or otherwise.
25/7 / 3	MRS 2/3 Issue 18/3
	3/3. 6.3.20 Issue 8/3

NOTE—Contn. sheet.

283 3563
2678

23

G. R. S. III-2)

General and Revenue Secretariat.

File No. 277 of 1918.

Serial No.

To the F A R.

11 No Pol 1009 d. 10. 3. 1920.

Forwarded copies of Budget received with letter no 5471 d 12-2-19-9. and enquired if Spare Copies are available

From the F A R.

12 Letter No 2496. d. 19. 3. 1920

Expresses regret that Spare Copies of the Bangalore Civil & Military Station Budgets for the years 1911-12 to 1918-19. are not available;

Subs
Letter
22/3

T M
23/3

28/3 Flesey Perhaps the Govt. Madras might be addressed in the matter. 28/3

not necessary if we want them again we may get them from the Residency

mm
27.3.20

Matters for file.

28/3

From the F. A. R.

No 3580-D-21.4.20.

with refce to No 1143-D 10.2.20

Informs that the payment of the Surplus revenues of the C. & M. Station Bangalore for 1918-19 is under the consideration of Govt of India

Mayhew Chitnavis Dewan

Subs
Letter
22.4.20

T M
20/4

D. Flesey 24/4

Transferred

This is also an old enclosure w/c is to be filed

28/4/20

Correct Hlrec

NOTE.—Contn. sheet.

G. R. S. III-21

General and Revenue Secretariat.

File No. 277 of 1918.

Serial No. 14

From the R.A.R.
No 9700 dated 5/11/1920.
Pol 704

~~With reference to~~ Forwards reply of the Govt of India to enquiry made in para 2 of letter no Pol 1220 d 4. 6. 1919 regarding the question of credit in the Account of Assigned Tract revenues - of Income Tax on salaries etc & interest on securities etc.

The previous papers are put up.—

Submitted for orders.

Pol
8/11.

For - 1916-17 - 4776.
-17-18 - 4238.
3 | 9014
3005.

1783
12/11

Please

18
10/11

A draft reply to the Residency is put up. One point urged in it requires explanation. The Governmen of India reply is based upon what would have been the position had the Tract not been assigned. In this view, the salaries, etc., paid to officers not connect ed with the Assigned Tract have to be treated as recei ed within the State but disbursed in the Assigned Trac There is an arrangement of reciprocity with the Govt.

of

NOTE—Contn. sheet.

2220

25

G. R. S. III-21

General and Revenue Secretariat. | G. F. File No. 277 of 1918.

Serial No.

H

of India in regard to our income-tax measure under which that Government permit their officers drawing their salaries from our treasuries to pay us our rate of income-tax and pay the Government of India the exce above that rate assessed at the Government of India rate. This arrangement should apply to the British Officers stationed in the Tract as well.

30.11.20 16 Dgy

DEWAN'S OFFICE. Recd. on DEC 2 1920 Reg. No. 3999

Dewan Nrso
Rev Secy
(The case relates to Income Tax)

Draft approved by the Dewan

BS 6/12/20

Since sending up the above draft I have come to know that the Govt of India do not tax the official allowances which an agent of a Prince or State in India who has been duly accredited to represent the Prince or State for political purposes within the limits of British India receives as such agent in British India from the Prince or State. Reciprocally we have agreed not to tax the official Salaries of the accredited representatives of the Govt of India Stationed in ~~India~~ Mysore. In these circs para 4 of the draft has to be omitted and the matter is reported for information before issuing the draft. I agree

DEWAN'S OFFICE. Recd. on DEC 17 1920 Reg. No. 4281

NOTE—Contn. sheet.

20.12.20 16/12/20 Dewan

18.12.20 16/12/20

G. R. S. III-21

2920
3023

General and Revenue Secretariat.

File No. 277 of 1918.

Serial No.

15

To The AAR

No Pol 673 d 21.12.20

acknowledgs receipt of letter No. 9200-613/1899 d 5th 11/20 and request to know under the circumstances stated why the credit of 1/8 tax on salaries of the Mys Residency is proposed to be limited to the period from 1916-17.

21/12/20

From the AAR.

No. 667/613-1899 dated 21.1.21.

X

Acknowledges receipt of the previous X serial stating that for reasons given, the ~~Durbar's~~ arguments of the Durbar for inclusion of certain items of Income Tax Revenue in the Pro forma accounts of CTM States are untenable and are more directly concerned with the audit of the accounts which the Durbar have categorically repudiated.

Flag Y
Sec (15+16)

Subs for orders.

Work Flags 1 & 2 of 21/12 Para 2 of Residency letter. 26.1.21

2502 27/1

It is not clear how it can be concluded that of the Tract were not assigned the officials in question would not be stationed in it. Some of them at least eg Mgrs of the ~~Imperial Dairy~~ Postal dept would be stationed in the ~~Bangalore Cantonment~~

NOTE—Contn. sheet.

3003

G. R. S. III-21

General and Revenue Secretariat.

G. F. File No. 277 of 1918-19

Serial No.

Tract if the existing arrangements for work are assumed to continue. It because there is a British Ry in the Station such officers draw their pay from it; otherwise their salaries would have been disbursed from a State Ry and recovered from the G I afterwards. Para 3 of the letter.

It is not reasonable to refuse to tell us why the creation of the one third stax of the Residency is limited to the period from 1916-17.

Dewan 30-1-21

To be circulated for comments in Council

9-2-21

To the Chief Secy

10-2-21

circulated 11/2/21

11/2

DEWAN'S OFFICE.
Recd. on JAN 31 1921
No. 5082
(D.O.C.No. 224)

NOTE—Contn. sheet.

(For Disposal at a Meeting)

No. C. 477
.....1920-21

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(Clause xx of the Schedule.)

Inclusion in the Pro Forma accounts of the C. & M. Station Bangalore, of certain items of Income-tax.

CIRCULATED TO THE MEMBERS OF COUNCIL

By Order,

Chief Secretary to Government

..... 15th February 19..21.

Extraordinary Member of Council.

First Member of Council. 16.2

4113-25 **Second Member of Council.** 16.2.21
17-2-21.

4848 **Third Member of Council.**
21-2-21

C 477

15303

Subject. - Clause xx of the Sched

Inclusion in the Pro Forma ~~xx~~ accounts of the C. & M. Station, Bangalore of certain items of Income-tax. (G.F. 277-18).

.....

Opinion of the Council.

2880/5/3

To The Fl. Secretary with compliments

6.3.21

6.3.21

8/3

F 29-12-21

4157/22

2005-21

G. R. S. III-2.

General and Revenue Secretariat. | File No. | of 19

Serial No.

Payment of Supply to end of 1921-22 has been intimated. The file is recommitted as per order with reference to Secy's note dated 6/2/21.

29.3 29/3

From the payment of the arrears of the revenue due to end of 21-22 it has to be presumed that the representation has been favourably considered by the Govt of India. But no final reply has yet been received.

What further action has to be taken on this file now is for orders

24/3/23

Secy) This may await the settlement of Main Issue about which no final reply has yet been recd

11-4-23

Details of proforma accounts of the C & M Station for the last years have been called for in another connection. May they be awaited

for 87 (26-28)

NOTE—Contn. sheet.

Subs mein 1/9

4/9/23

The linked file obtained from the personal staff of the Chief Secy contains the proforma accounts of the C & M Station for (18-19- to 21-22) the years and the subsequent correspondence in the matter. The Administration Reports of the Civil & Mily. Station for the following years: 1917-18. 18-19. 19.20. 20-21. & 21.22 & 22-23.

are put up.

Rao
Mullick
11/10-24

CB T. L. 50.

WD 243– GPB—2,000—2-8-18

REPLY.

(*To be written on this margin.*)

Office of the Dewan of Mysore.

NOTE.

Dated 5th January 1919.

I should like to be favoured - within a fortnight /with a short note on the Income Tax question which may be prepared in consultation with the Committee of officers recently - appointed to deal with the Government of India's objections.

HD

The Chief Secretary

with compliments

To Finlay with Compliments.

CBL
6/1/19

The file has been sent to the Dewan's Office Re. Resolution ... for the Conference ... Retrenchment Committee.

I
M
6/1/19

INCOME TAX.

Dewan Saheb's order dated 5th January 1919 calling for a short note on the Income-tax question within a fortnight.

The important papers connected with the subject have been printed and a copy of the printed collection was submitted to the Dewan Saheb a few days ago. Another copy is submitted herewith for ready reference. A summary of the case up to March 1918 is contained in paper No.XXIX of the printed collection.

The Council have resolved that the time has come to introduce Income-tax in Mysore (XXXVI). His Highness has approved of a Bill being introduced in the Legislative Council regarding the levy of Income-tax in Mysore (LV). The Government of India to whom a copy of the Bill was sent have sent a statement of objections and suggestions (LI) These are to be considered in the last week of January at a meeting at Delhi by the representatives of the Mysore Government with those of the Government of India (LVIII).

The Committee appointed by Government to examine all questions connected with the levy of Income-tax which it may be necessary to discuss with the Government of India (LVII) have met once and have fully considered the statement of objections and suggestions furnished by the Government of India. A copy of the proceedings of that meeting is submitted. Another meeting will take place tomorrow and a copy of the proceedings of that meeting will be submitted as early as practicable.

At tomorrow's meeting of the Committee the

the following points will be specially considered :-

(a) The Mysore Treaty gives full power to the Mysore Government to levy ~~such tax~~ income-tax for financial purposes.

(b) The agreements with the Mining Companies do not debar the Mysore Government from levying Income-tax on the Mines.

(c) The attitude of the Mysore Government towards double taxation as shown in the draft Bill is exactly the same as that of the Government of India on the subject as embodied in the Government of India Income-tax Act of 1918.

The main point to bear in mind is (1) that the Durbar want to levy Income-tax and (2) that they want to include the Gold Mines within the scope of their regulation. The Durbar's representatives will regard these as the cardinal points and will not agree to any proposal which will make the case as regards either of these points weak in any way. On other points of detail they may agree with any reasonable suggestion which the Government of India representatives may put forth especially if the Government of India show willingness to afford reciprocal treatment.

Of course the discussion will begin by making it clear to the Government of India representatives that the Mysore deputation has come for discussion and for placing facts and information ~~for~~ at the disposal of the Government of India representatives and that they have no authority to finally commit the Mysore Government in any matter.

If the views embodied in this note and the Committee's proceedings × are generally approved the Mysore representatives will know the general lines on which to carry on the discussion. Except the question of double-taxation, all other points are really matters of detail.

J. Chakravarti
20.1.19.

Proceedings of 18.1.19 submitted herewith

× Proceedings of 21.1.19 to be submitted after the meeting is held.

Pol 1220 dated 4th June 1919

To G.O. 277-18-2

First Assistant to Hon'ble the Resident.

S i r,

I am directed to invite reference to the Pro forma accounts of the Civil and Military Station for the years 1916-17 and 1917-18 forwarded with Major James' letter No.1394 dated 19th February 1919. It seems that the cost of the Residency Surgeon and his staff has been included under the head "Medical" through an oversight (vide foot-note (x 3) against "Medical" under para 79, page 13 of the Administration Report of the Civil and Military Station for 1917-18.) This amount is properly to be included in the Residency charges, 1/3rd of which is debitable to the Civil and Military Station accounts; the remaining 2/3rds of the cost of the Residency Surgeon and his staff should not find a place in the Pro forma accounts of the Civil and Military Station. But the result of the accounts as they have been now prepared appears to be that the cost of the Residency Surgeon and his staff is included 1+1/3rd times on the expenditure side of the pro forma accounts, viz., full amount under "Medical" and 1/3rd again under Residency charges.

2. I am also to invite your attention to the fact that the following items under the head "Income-tax" appears to have been left out on the receipt side of the pro forma accounts:--

i. Tax on salaries, annuities, pensions, and gratuities paid by Government on account of Bangalore.

ii. Do. Mysore Residency

iii. Interest on securities.

The reason why they are so excluded is perhaps that the tax is stopped at the source. The Durbar venture

venture to think that whatever be the method of realizing the tax it properly belongs to the administration in whose jurisdiction the tax accrues and is realized and that therefpre the whole amount of income-tax should be credited to the pro forma accounts of the Civil and Military Station.

3. The Durbar will feel obliged if the opinion of the Hon'ble the Resident on the points noticed above be communicated to them and the pro forma accounts amended if ~~necessary~~ le cas se présente.

4. The Durbar will also be thankful if a set of the Bangalore Civil and Military Station Budget from the year 1911 onwards be furnished to them.

I have the honour to be,

&c.

1.6

29.5.19

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

Section 4
File No. 277-8
Serial No. 3

GENERAL AND REVENUE SECRETARIAT
( )
the 191

No. R 32

Date of issue.....3rd July/17.....

Signed by W Steen vincent

To. Dear Sir

The C & D Station
Budgets from 1908—9 to
1916-17 are required
for reference here & I re-
quest you to kindly
send me a set of
the Copies if available
They will be returned
if required. The previous
application is same

over.

make be made time. If
an official reference
is necessary, it will
be made.

Yours Sincerely
W.

18
1.7.42

List of enclosures.

Copied by

Examined by.

WD 1744—GPE—30,000—19-3-19

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

D.O. No. 5482 [illegible]

D 141

The Residency, 57277-18-4

Bangalore.

2nd July 1919

Dear sir,

With reference to your D.O. letter No. Fl. 32, dated the 3rd July 1919, I enclose copies of the Bangalore, Civil and Military Station budget from 1908-09 to 1910-11 and request that they may be returned as early as possible. Budgets from 1911-12 to 1918-19 are being sent officially to you - vide letter No. 5471 dated 12th July 1919.

Yours truly,

Registrar,

Resident's Office.

To

B.Sreenivasa Iyengar, Esq.,B.A.,B.L.,
Under Secretary to the Government
of His Highness the Maharaja of Mysore,
Financial Department.

C.S.B.

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

GENERAL AND REVENUE SECRETARIAT

( )

the *191*

Date of issue 15 July 19

Signed by W Sreenivasaiya

Section G 7

File No. 2778

Serial No. 5

No. H 333

To

Dear Sir

I acknowledge with thanks the receipt of the copies of the Bangalore Civil and Military Station Budget from 1908-09 to 1910-11 forwarded with your D.O No 5782 dated 12.7.19. The Copies will be returned at an early date

Yours Sincerely

H

14/7

A. M. Peris Esq
Registrar
Resident's office

14/7

over.

D 157

Pol Sett ...

Pol 69 No. 5471/inc 8.

R. O. 2.—R. P. B.—2-1919.—2,000.

G.F. 277-18-6

FROM

C.T.C. PLOWDEN,
MAJOR ~~H.S.JAMES~~, I.A.
FIRST ASSISTANT TO THE RESIDENT IN MYSORE.

Pol Sept

pte

18/13/7/19

Paid 21.7.19

18/7/19

To

The Financial Secretary to the Government of
His Highness the Maharaja of Mysore.

Dated Bangalore, 12th July *19* 19.

SIR,

With reference to your letter No. Pol.1220/G.F., 277 of 18., dated the 4th June 1919, regarding the pro forma accounts of the Civil and Military Station of Bangalore for the years 1916-17 and 1917-18, I am directed to state that the figures against "Medical" in para 79 page 13 of the Administration Report for 1917-18 represent only the medical charges of the Mysore Assigned Tract including the sum of Rs. 400/- per mensem which is drawn as local allowance by the Residency Surgeon in consideration of the administrative and executive duties performed by him in connection with the station, and which is wholly met out of the Assigned Tract Revenues under the orders of the Government of India. Only one-third of the charges on account of the pay of the Residency Surgeon and his staff is included in the total against "one third of the Residency Charges". The note 3 against "Medical" referred to will, in future, be omitted in the report on the Administration of the Civil and Military Station of Bangalore, since the expenditure under this head includes only the local allowance of the

Residency Surgeon and does not include any part of the pay of the Residency Surgeon and his staff.

2. As regards the question of credit in the Mysore Assigned Tract Accounts of Income-Tax on salaries etc, and interest on Government Securities, I am to say that a further communication will be made on the receipt of a reply in the matter which is awaited from the Accountant-General, Madras.

3. Copies of the Bangalore Civil and Military Station budget for the years noted on the margin are enclosed.

*	*
√1911-12...	1915-1916.√
√1912-13...	1916-1917.√
√1913-14...	1917-1918.√
√1914-15...	1918-1919.√

* return requested

I have the honour to be,

Sir,

Your most obedient servant,

First Assistant Resident.

I.S.

G. R. S. Vl—G/32]

SUBJECT.....

2/11 .....

.....

Diary No. of letter replied to.....

Section 92
File No. 7778
Serial No. 6a

GENERAL AND REVENUE SECRETARIAT
( )
, *the* *191*

No. Rol 821

Date of issue 28 January 1920 To

The Fo. A. R.

Signed by Mr. M. N. Krishnaka Rao for,

I am directed to invite
reference to para 2 of your letter no ~~Rol~~
~~69 dated~~ 5471 dated 12th July
1919, in the matter of credi
in the Mysore Assigned Trac
Accounts of Income Tax on
Salaries etc. and to request
the Inland-Antecurity
further
that the Darkast may kindly be ~~you~~ when the Communicatio
~~referred to~~ promised ~~Herein~~ may be
Expected.

Shaw
Asst 22/1/20
over.

Asst
24.1.20

Fwd Sy.

22/1/20

SEC. DRAFT
Fin Secs
0 FEB 1920

Pol 1032

DIARY No. 2621
R. O. 2.—E. P. B.—9-1919.—2,000
SECTION

No. 1140

FROM

MAJOR C. T. C. PLOWDEN, I. A.,
FIRST ASSISTANT TO THE RESIDENT IN MYSORE.

EA 277-15

To

The Financial Secretary to the Government of
His Highness the Maharaja of Mysore.

Dated Bangalore, 10th February 1920.

SIR,

With reference to your letter No. 821-Pol, dated the 28th January 1920, regarding the credit in the Mysore Assigned Tract Accounts, of Income tax on salaries etc, and interest on securities, I am directed to state that the matter is still under consideration and that a reply will be sent as soon as possible.

I have the honour to be,

Sir,

Your most obedient servant

First Assistant Resident.

I.S

D 2809

D. O. No. 1842

THE MYSORE RESIDENCY,

Bangalore, 18th March 1920

97 277-8-9

Dear Sir,

Will you kindly return the three copies of the Bangalore Civil & Military Station budget from 1908-09 to 1910-11 forwarded with my letter dated the 12th July 1919

Yours truly

REGISTRAR.

B. Sreenivasa Iyengar, Esq., B.A., B.L.,
Under Secretary to the Government of
His Highness the Maharaja of M.....,
Financial Department.

BJ

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

GENERAL AND REVENUE SECRETARIAT

( )

, *the* 191 .

Date of issue.....1st March 20

Signed by.....

Section 9/7

File No. 277-8

Serial No. 8

No. 15325/Sel 3

To Dear Sir,

~~I am directed~~ returning with thanks

~~I have~~ herewith ~~sent~~ the ~~three~~ copies of the Bangalore C & M Station budget for 1908-09 to 1910-11 ~~Send with your letter~~ returned

~~your letter~~ of 12th July 1910

As requested on D.O. No. 19.42 1-3-20

Yours truly

N

1/3

Minute

~~As~~ acknowledgement ~~requested~~ required.

To A M Peris Esq.,

~~The~~ Registrar

Residency Office

Bangalore

over

T.M

1/3

G.R.S. III—3]

ROUTINE NOTES.

751

[To be used only for notes, requisitions, etc., not intended for permanent record.]

D 854

F. 277-18-8

THE MYSORE RESIDENCY,

Bangalore, 2nd March 1920

D.O. No. 187

Dear Sir,

I have to acknowledge, with thanks, the copies of the budget estimates of the Bangalore Civil & Military Station for 1908-09 to 1910-11 returned with your D.O. letter No 5325 H/87.277-18-8 of the 1st March 1920

Yours truly

Sd/-

V. Ramaswamy Iyengar Esq

Financial Under Secretary

N.B.—*Should routine notes be written on small slips, the notes must be copied or slips pasted on this form.*

Pol 1140

FINANCIAL [illegible] 1920

No. G.12.—E. P. B.—2—1902.—5000.

No 1848

2885

19 · 20
97
277-28
& 10

FROM

MAJOR C. T. C. PLOWDEN, I. A.,
FIRST ASSISTANT TO THE RESIDENT IN MYSORE.

TO

The Financial Secretary to the Government of
His Highness the Maharaja of Mysore.

Dated Bangalore, 18th March 1920

SIR,

I am directed to invite a reference to para 3 of my letter No. 5471, dated the 12th July 1919 and to request that copies of the Bangalore Civil & Military Station budget forwarded therewith may kindly be returned to this office at an early date.

I have the honour to be,
Sir,
Your most obedient servant,

FIRST ASSISTANT RESIDENT.

BJ

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

Section

File No. 277-78

Serial No. 11

GENERAL AND REVENUE SECRETARIAT

( )

, the 191 ...

No. Pol 1009 Encl 8

Date of issue 10th March 1920 To

The A. Resident

Signed by Mr. M. N. Krishna Rao Sir

In reply ~~With reference to~~ your letter no 1828 G. 1st March 1920, I am directed to return herewith ~~as desired~~ the marginally noted copies of the Bangalore C. & M Station budget forwarded with your letter No. 5471 G. 12th July 1919.

~~Please acknowledge the receipt of the copies they~~ I have etc

M. Rao

6.3.20

Secy

over.

1911 – 12.
1912 – 13.
1913 – 14.
1914 – 15.
1915 – 16
1916 – 17
1917 – 18
1918 – 19.

If spare copies are available a set of them may kindly be furnished for the use of the Durbar

MRS

2/3

Pol 1125

D 3003

GEN & REV. SEC.
22 JAN 1921

R. O. 2.—R. P. B.—12-1920.—1000.

No. 667
613-1899.

FROM

MAJOR C. T. C. PLOWDEN, I. A.,
FIRST ASSISTANT TO THE RESIDENT IN MYSORE.

To

The Financial Secretary to the Government of
His Highness the Maharaja of Mysore.

7(Secy) 221
Cmd 247-21

Dated Bangalore, 21st January *19* 21

SIR,

I am directed to acknowledge the receipt of your letter No. 673-Pol., dated the 21st December 1920, regarding the inclusion in the Pro forma accounts of the Civil & Military Station of Bangalore of certain items of income tax revenue.

2. In reply to paragraph 2 of your letter, I am to say that the arguments advanced by the Durbar in support of the proposal contained therein appear to be untenable on the following grounds viz.,

(1) The Treasury in the Civil & Military Station is not a Mysore State Treasury.
(2) The officials in question are not liable to pay the Mysore income-tax.
(3) If the tract were not assigned the officials in question would not be stationed in it.

T

vide para 3 of my letter No. 700, dated -11-20.

3. As regards paragraph 3 of your letter, I am to point out that a question of this kind seems directly concerned with the audit of the pro forma accounts and as the Durbar have categorically repudiated any desire to audit the accounts, they can hardly, without exposing themselves to a charge of inconsistency, claim to be informed

of

of the reasons on which the Government of India's decision is based. The Hon'ble the Resident is not acquainted with those reasons and he is inclined to think it would be better to leave matters as they are. At the same time he is prepared to submit the case to the Government of India if the Durbar so desire.

4. The assumption of the Durbar in paragraph 4 of your letter is correct.

I have the honour to be,

Sir,

Your most obedient servant,

FIRST ASSISTANT RESIDENT.

AVR

BJ

Pol 1252 97277-18

R. O. 2.—R. P. B.—2-1920.—5000.

No. 2486 3126

FROM

MAJOR C. T. C. PLOWDEN, I. A.,
FIRST ASSISTANT TO THE RESIDENT IN MYSORE. 12

To

The Financial Secretary to the Government of
His Highness the Maharaja of Mysore.

Dated Bangalore, 19th March 1920

SIR,

With reference to your letter No. Fl.Pol.1009, dated the 10th March 1920, I am directed to express regret that spare copies of the Bangalore Civil and Military Station budget for the years 1911-12 to 1918-19 are not available in this office.

I have the honour to be,
Sir,
Your most obedient servant,

FIRST ASSISTANT RESIDENT.

I.S

R&C 704

DIARY No. 2220

R. O. 2.—R. P. B.—2-1920.—5000.
1918 1919
Section 67
File No. 277-18
Serial No. 14

No. 9700
613/1899.

FROM

MAJOR C. T. C. PLOWDEN, I. A.,
FIRST ASSISTANT TO THE RESIDENT IN MYSORE.

REV & REV. SECY
Fin Secy
5 NOV 1920

To

The Financial Secretary to the Government of
His Highness the Maharaja of Mysore.

Dated Bangalore, 5th November 1920.

SIR,

I am directed to refer to paragraph 2 of my letter No.5471, dated the 12th July 1919, regarding the inclusion of certain items in the Pro forma accounts of the Civil & Military Station of Bangalore.

2. The representations made by the Durbar in paragraph 2 of your letter No. Pol.1220, dated the 4th June 1919, regarding the question of credit in these Accounts of Income Tax on salaries etc. and interest on securities, were referred to the Government of India who have come to the following conclusions after a careful consideration of the matter:-

Item (a). "Tax on salaries, annuities, pensions and gratuities paid by Government on account of Bangalore." It appears that the officers paid by Government in Bangalore can be divided into two categories viz: (i) officers connected with the administration of the Bangalore Assigned Tract and (ii) officers not connect-

ed

connected with the Assigned Tract, such as officers of the Survey of India and the Post and Telegraph Department and some of the provincial offices of the Madras Presidency. The income tax levied from the salaries of officers referred to in (ii) is at present credited to Madras Provincial revenues and since the income tax on the salaries of these officers would not be credited to the Durbar if the tract were not assigned, the income tax receipts from the officers cannot appropriately be credited to the pro-forma account. These officers would exist even if there were no Assigned Tract and would pay income-tax to Government.

The income-tax on salaries of officers in category (i) is already credited to the pro-forma account as part of the revenues of the Assigned Tract.

Item (b). "Tax on salaries, annuities, pensions and gratuities paid by Government on behalf of the Mysore Residency." Income-tax on salaries etc., paid by Government on account of Mysore Residency is at present credited in the Mysore Residency Budget to Imperial Revenues on the analogy of the arrangement in force in the case of the salaries of Political officers and establishments located in other Indian States. In view, however, of the fact that one-third of the salary of Residency officers is debited to the revenues of the Assigned Tract and that these charges would not be necessary if the Tract were not in existence, the Government of India are pleased to direct that, with effect from the financial year 1916-17, one-third of the income-tax receipts under this head shall be credited to the pro-forma accounts of the Bangalore Assigned Tract and the necessary instructions will be issued to the Account officers concerned to revise the pro-forma accounts accordingly.

Item (c). "Interest on Securities." Income-tax on interest on securities is credited to the Madras Provincial revenues. The securities in question are those of the Government of India or of private companies or corporations of British India, and income-tax on them is collected at the source. In the case of the securities of private companies or corporations of British India the interest is not

necessarily

necessarily payable in Bangalore although it may in practice be paid there. Foreign subjects who hold such shares lose income-tax at the source, and this income-tax goes to the Imperial Government owing to the fact that the income accrues in British India; the tax being assessed at the headquarters of the company and not where the holder of the shares lives. In these circumstances, there appear to the Government of India to be no grounds for crediting to the pro-forma account the income-tax realized on interest or dividends received by holders of such securities, who live in the Assigned Tract. An arrangement exists between the Government of India and the Mysore Durbar that interest on Government securities may be paid in any of the Mysore State Treasuries; consequently, if the Assigned Tract were a part of the Mysore State, the Durbar would have no claim to the income-tax, which is realised by Government on the interest on such securities. The Government of India, therefore, see no reason why the income-tax in such cases should be credited to the pro forma account of the Assigned Tract.

3. In conclusion, I am to invite a reference to the marginally noted communications which relate to the principles on which the pro forma account of the Assigned Tract revenues are communicated to the Durbar.

Demi-official letter No.1564, dated the 10th November 1910 from the Dewan of Mysore to the Hon'ble the Resident.
Demi-official letter No.7193, dated the 28th November 1910 from the Hon'ble the Resident to the Dewan of Mysore.

I have the honour to be,

Sir,

Your most obedient servant,

FIRST ASSISTANT RESIDENT.

BJ

DRAFT.

Pol 673/67 27-18-15

To

21st December 1920.

Sdy Inv. M. N. Krishna Rao.

The First Assistant to the
Hon'ble the Resident in Mysore,
B a n g a l o r e.

S i r,

I am directed to acknowledge the receipt of your letter No.9700-613/1899 dated the 5th November 1920 communicating t h e orders of the Government of India in regard to the inclusion in the Pro forma accounts of the Civil and Military Station of certain items of income-tax revenue.

2. The case of officers not connected with the Assigned Tract is similar to that of British Indian officers who draw their salaries from the State treasuries. According to the arrangement of reciprocity with the Government of India, t h e officers of that Government who are liable to be taxed in the State may deduct the amount of the tax paid to it from the tax which they are liable to pay to the Government of India. If the Tract had not been assigned, this arrangement of reciprocity would have applied to the case of the officers under consideration. It, therefore, appears to the Durbar that income-tax at the rates leviable under their law on salaries, etc., of such officers disbursed in the Civil and Military Station is creditable to the Pro forma account.

24/12

3. It is not clear why the credit of the one-third tax on salaries of the Mysore Residency is proposed to be limited to the period ~~subsequent to~~ from 1916-17.

4. For reasons similar to those urged in para 2 supra, a share of the tax on the balance of two-thirds of ~~sl~~ salary, etc., paid on behalf of the Mysore Residency would be creditable to the Pro forma account.

5. The Durbar presume that the tax on securities, if any, of a Company or Local Body, in the Tract is credited to the Pro forma account.

I have, etc.,

30-11-23

Financial Secretary to Govt.

(Memorandum of discussion at a Conference held on January 29th, 1919, between representatives of the Government of India and the Mysore Durbar regarding the Mysore Income-tax Regulation)

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x x x x

II. Salaries. The general question of salaries was discussed and it was pointed out that the Government of India have provided by executive order that their servants who are liable to tax in an Indian State may deduct the amount of the tax paid to the Indian State from the tax which they are liable to pay to the Government of India. The representatives of the Mysore Durbar think that a similar concession will be given to the servants of the Mysore State. Following the practice of Government of India regarding accredited representatives of Indian States, they are willing to exempt the official allowance which duly accredited representatives of the Government of India receive in Mysore, if any such cases arise.

x x x x